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**KENNEDY ADJUSTS MINIMUM WAGE PROPOSAL TO INCREASE BIPARTISAN
SUPPORT**

WAR ON POVERTY DEMANDS IMMEDIATE ACTION

Washington, DC: Last night, Senator Edward M. Kennedy continued his fight on the war on poverty by offering an amendment H.R. 3058, the Transportation, Treasury, Housing and Urban Development Appropriations Bill. Today, to ensure bipartisan support, he changed the amount of the increase to match the amount of the Republican plan, but without their poison pills.

Kennedy reached across the aisle to ensure that a minimum wage increase has the best chance of success given dire and urgent circumstances facing the 37 million Americans living in poverty. Kennedy's new proposal -- which he considers just a down payment -- would raise the minimum wage to \$6.25; currently the minimum wage is \$5.15. In March, 50 Senators supported Kennedy's initial plan to raise the minimum wage to \$7.25 while an additional 35 supported the Republican plan to raise it to \$6.25 -- so clearly there should be broad bipartisan support for raising it \$1.10.

The minimum wage hasn't been increased since 1997, yet during that time Americans increasingly feel the squeeze of the Bush economy. Americans are spending 74 percent more on gas than they did at the beginning of 2001. Heating oil prices are expected to rise by 56 percent this winter. Such rapid price increases will force consumers, especially the poor, to cut spending on clothing, health care and food just so they can get to work and keep warm this winter.

Hurricane Katrina demonstrated in stark terms that so many Americans live every day on the brink of economic disaster and for them any setback becomes a major obstacle to survival.

"The images of Katrina were a shocking reminder that the American dream remains out of reach for millions of working Americans. It's little wonder that so many in the Gulf Region were living in poverty when Katrina hit. These Americans work as hard as anyone else -- often harder.

But the minimum wage that many receive cannot cover their bills or support their families." Senator Kennedy said. "These Americans can't afford the rising cost of higher education, so they don't send their children to college. They can't afford the rising cost of prescription drugs, so they don't take the medicine they need, and often they don't go to the doctor either. We know that America can do better and it is up to us to act now. Let me assure you, this increase of \$1.10 is just a down payment and I will continue to fight for further increases."

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